



House of Representatives

General Assembly

File No. 286

February Session, 2008

Substitute House Bill No. 5123

House of Representatives, March 31, 2008

The Committee on Government Administration and Elections reported through REP. CARUSO of the 126th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE CONNECTICUT STUDENT LOAN FOUNDATION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 10a-203 of the 2008 supplement
2 to the general statutes is repealed and the following is substituted in
3 lieu thereof (*Effective July 1, 2008*):

4 (a) Said corporation shall be governed and all of its corporate
5 powers exercised by a board of directors which shall consist of [fifteen]
6 fourteen members, as follows: The chairperson of the Board of
7 Governors of Higher Education and the Commissioner of Higher
8 Education; [seven] six public members appointed by the Governor, at
9 least one of whom shall represent [the private colleges, and
10 commencing with the next regular appointments made on and after
11 July 1, 1984, at least one of whom shall be a financial aid officer at an
12 eligible institution and] an eligible institution of higher education, at
13 least one of whom shall be a person having a favorable reputation for

14 skill, knowledge and experience in management of a private company
15 or lending institution at least as large as the corporation and all of
16 whom shall be electors of this state; one public member appointed by
17 the board of directors, who shall have, through education or
18 experience, an understanding of relevant accounting principles and
19 practices, financial statements and audit committee functions and
20 knowledge of internal controls, who shall be an elector of this state;
21 [two] four members [from the House of Representatives] with
22 knowledge of business or finance, one each appointed by the speaker
23 of the House of Representatives, [and one appointed by] the minority
24 leader of the House of Representatives, [; two members from the
25 Senate, one appointed by] the president pro tempore of the Senate and
26 [one appointed by] the minority leader of the Senate; and the State
27 Treasurer or, if so designated by the State Treasurer, the Deputy State
28 Treasurer appointed pursuant to section 3-12. Those members who are
29 appointed by the Governor and by the board of directors shall serve
30 for terms of four years each from July first in the year of their
31 appointment and until their successors have been appointed. Those
32 members who are appointed by the speaker of the House of
33 Representatives, the minority leader of the House of Representatives,
34 the president pro tempore of the Senate and the minority leader of the
35 Senate shall be appointed for terms of two years from January fifteenth
36 in the year of their appointment. The term of each appointed member
37 of the board shall be coterminous with the term of the appointing
38 authority or until a successor is chosen, whichever is later. The board
39 of directors shall elect, from its own members each year, a chairperson
40 and a vice-chairperson who shall serve for terms of one year and who
41 shall be eligible for reelection for successive terms. Vacancies shall be
42 filled for the unexpired term in the same manner as original
43 appointments. Directors shall receive no compensation for their
44 services but shall be reimbursed for their expenses actually and
45 necessarily incurred by them in the performance of their duties under
46 this chapter. Any member may designate in writing to the chairperson
47 of the board of directors a representative to act in the place of such
48 member at a meeting or meetings, with all rights and obligations at

49 such meeting as the member represented would have had at the
50 meeting.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2008</i>	10a-203(a)
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HED *Joint Favorable Subst. C/R*

GAE

GAE *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill reduces the size, from fifteen to fourteen members, and changes the composition of the Connecticut Student Loan foundation's board of directors. The bill is not anticipated to result in a fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5123****AN ACT CONCERNING THE CONNECTICUT STUDENT LOAN FOUNDATION. AN ACT CONCERNING THE CONNECTICUT STUDENT LOAN FOUNDATION.****SUMMARY:**

This bill reduces the size of the Connecticut Student Loan Foundation's (CSLF) board of directors from 15 to 14 members and changes its composition. Under current law, the House speaker and minority leader and the Senate president pro tempore and minority leader must each appoint a legislator from their respective chambers to the board. The bill eliminates this requirement and instead requires that each legislative leader appoint a person knowledgeable in business or finance.

It also eliminates the governor's appointment of a financial aid officer at an eligible institution and changes one of the governor's appointees, from a representative of the private colleges to a representative of an eligible higher education institution.

By law, an eligible institution is any institution that satisfies the eligibility requirements for participation in the Federal Family Education Loan Program authorized under Title IV, Part B of the 1965 Higher Education Act. This includes public or private nonprofit, proprietary, or postsecondary vocational institutions.

EFFECTIVE DATE: July 1, 2008

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute Change of Reference

Yea 16 Nay 0 (02/21/2008)

Government Administration and Elections Committee

Joint Favorable

Yea 13 Nay 0 (03/10/2008)